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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

TEXSTYLE, LLC,  
d/b/a TexStyle Home Fashions,

Chapter 11  
Case No. 11-11686 (SMB)

Debtor.  
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**NOTICE OF SECOND AMENDMENT OF  
CREDIT AGREEMENT WITH WELLS FARGO BANK, NA**

**PLEASE TAKE NOTICE** that on May 12, 2011, the Court entered a final order authorizing the above-captioned chapter 11 debtor (the "Debtor") to obtain postpetition financing under a Credit and Security Agreement, dated July 31, 2008 (the "Credit Agreement"), as amended, between the Debtor and Wells Fargo Bank, National Association, acting through its Wells Fargo Business Credit operating division (WFBC") and to use WFBC's cash collateral (the "Final Order").

**PLEASE TAKE FURTHER NOTICE** that the Debtor hereby provides notice that the Debtor and WFBC have agreed to further extend the Expiration Date under the Final Order and the Credit Agreement to and including August 29, 2011 upon the following additional terms and conditions acceptable to the Debtor:

- All advances during the DIP period will be subject to availability as determined by the borrowing base. No overadvances are permitted.
- Net Cash Flow (Receipts less Disbursements) may not vary beyond 10% as reflected in the 13 Week Rolling Forecasts dated 7-28-11. The covenant is measured weekly, on a cumulative basis.

- The covenant measurement is based on the following Net Cash Flow amounts as reflected in the 13 Week Rolling Forecasts:  

Week ending 8-19-11 (228,424)  
Week ending 8-26-11 (749,665)
- Payments for payroll and related taxes are required to be current, consistent with the DIP Budget (13 week rolling forecast).
- Payments for royalties are required to be current, consistent with the DIP Budget (13 week rolling forecast). If royalty payments are not maintained current, the royalty reserve within the A/R ineligibles will be increased by the amount of past due royalty payments.
- The following terms and conditions will be part of the DIP Facility Extension:
  - RAS Management Advisors LLC, the Debtor's financial advisor shall continue to be engaged by the Debtor.
  - The ten thousand dollar per week borrowing base reserve will continue to accrue during the DIP extension period.

Dated: Jericho, New York  
August 22, 2011

**SILVERMANACAMPORA LLP**  
Attorneys for the Debtor

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